



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate edged down from 8.6 percent in September to 8.2 percent in October 2002. From August to September, the unemployment rate had risen sharply from 8.3 percent to 8.6 percent because many businesses laid off workers earlier than they normally do. Exceptionally warm weather in October helped keep most of the remaining workers on the job. Unemployment also declined between September and October when many people temporarily quit looking for work, therefore dropping out of the labor market, knowing that economic stagnation and normal seasonal job declines will limit job opportunities until spring. Despite the one-month unemployment decrease, the unemployment rate in October was four-tenths of a percentage point higher than the 7.8 percent one year earlier. The unemployment rate rose, despite a 2.0 percent increase in employment, because the labor force grew faster than employment, by 2.4 percent

Between October 2001 and October 2002, the Panhandle added 1,090 *Nonfarm Payroll Jobs*. (See details in Panhandle Table 1.) Even though all the *Goods-Producing* sectors lost jobs, several *Service-Producing* sectors added enough jobs to offset those losses. *Retail Trade* added 530 jobs, mostly as a result of the January opening of Wal-Mart in Post Falls. *Services* added 930 jobs, mostly because of the expansions of the Center Partners call center in Kootenai County and the TSI call center in Shoshone County.

May Christmas be merry—and white! If it's not white, it won't be a happy Christmas for skiers, snowboarders, and snowmobilers and all the businesses that serve them. Not enough snow fell in November to let the ski areas open at Thanksgiving as they normally do. The two weeks around Christmas and New Year typically bring in 30 to 40 percent of the ski areas' annual revenues. In a good ski season, the Panhandle's three ski areas—Schweitzer Mountain near Sandpoint, Silver Moun-

Panhandle Table 1: Labor Force & Employment

	Oct 2002*	Sept 2001	Oct 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	92,860	93,550	90,690	-0.7	2.4
Unemployed	7,580	8,010	7,110	-5.4	6.6
% of Labor Force Unemployed	8.2	8.6	7.8		
Total Employment	85,280	85,540	83,580	-0.3	2.0
<i>Unadjusted</i>					
Civilian Labor Force	91,890	93,240	86,340	-1.4	6.4
Unemployed	6,160	5,970	5,680	3.2	8.5
% of Labor Force Unemployed	6.7	6.4	6.6		
Total Employment	85,730	87,270	80,660	-1.8	6.3
JOBS BY PLACE OF WORK					
<i>Nonfarm Payroll Jobs**</i>	70,430	70,880	69,340	-0.6	1.6
<i>Goods-Producing Industries</i>	14,070	13,990	14,520	0.6	-3.1
Mining	540	540	700	0.0	-22.9
Construction	4,890	4,840	5,060	1.0	-3.4
Manufacturing	8,640	8,610	8,760	0.3	-1.4
Lumber & Wood Products	4,180	4,180	4,210	0.0	-0.7
All Other Manufacturing	4,460	4,430	4,550	0.7	-2.0
<i>Service-Producing Industries</i>	56,360	56,890	54,820	-0.9	2.8
Transportation	1,490	1,530	1,550	-2.6	-3.9
Communication & Utilities	1,070	1,070	1,060	0.0	0.9
Wholesale Trade	2,100	2,100	2,160	0.0	-2.8
Retail Trade	15,420	15,630	14,890	-1.3	3.6
Finance, Insurance & Real Estate	2,840	2,840	2,710	0.0	4.8
Service & Miscellaneous	18,700	19,300	17,770	-3.1	5.2
Government Administration	8,990	9,170	8,960	-2.0	0.3
Government Education	5,750	5,250	5,720	9.5	0.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

tain in Kellogg, and Lookout Pass east of Mullan—provide more than 700 seasonal jobs with a payroll of \$3 million. In turn, that payroll helps support retail businesses in Bonner and Shoshone Counties. In addition, the skiers and snowboarders boost employment and incomes for the hospitality and retail industries. Since white on the mountains means more green in local cash registers, many people are hoping for a white Christmas.

An oversupply of wood products, coupled with poor prices, has forced some Panhandle mills to reduce employment. A major problem is increased competition from Canadian and other foreign producers. Louisiana-Pacific (L-P) temporarily shut down both of its mills in Boundary County in mid-November. L-P expects the Moyie Springs mill, which employs 190 people, to resume production in mid-December and the Bonners Ferry mill, which employs 128 people, to resume production by January 1. In mid-November, Potlatch Corporation temporarily shuttered its Post Falls particleboard plant, which employed nearly 60 people, but the plant was expected to reopen by December 8. Two other Panhandle mills that normally shut down for machine maintenance during the week of Thanksgiving shut down for two weeks this year.

AREA DEVELOPMENTS

Benewah County

- The Panhandle's largest above-ground mine, Emerald Creek Garnet near Fernwood, permanently laid off 16 of its 50 employees in November because of a drop in the demand for industrial garnets. Emerald Creek excavates garnets used for sandblasting, water filtration, emery boards, and non-skid surfaces.
- Newco Building Supply, the new owner of the shuttered Pacific Northwest Fiber plant in Plummer, hopes to have the plant back in production by the end of January. Some technical difficulties have postponed the start-up, originally expected to occur in October. When the plant reopens not only will it produce strawboard as it did before, but it also will make panels from bluegrass residue and other straw that can be used for rafters, joists, and headers in construction. The Newco plant will employ eight to ten people. Pacific Northwest Fiber, which opened in the spring of 1999 and closed in April 2002, employed about 30 people.
- A \$1.2 million project is in the works to build a new concrete-reinforced floodwall to prevent the St. Joe River from flooding industrial sites in St. Maries. The existing earthen floodwall, built in 1942, has deteriorated beyond repair. Floods in 1996 and 1997 drew attention to the importance of replacing the floodwall, which protects several businesses including the city's two largest employers. Those two employers, the Potlatch mill complex that employs 346 people and Buell Trucking that employs 200 people, are providing \$180,000 in-kind services for the floodwall project. The Idaho Department of Commerce recently awarded \$400,000 for the project, while the City of St. Maries is contributing \$55,000, and the Army Corps of Engineers is contributing \$786,000. Construction of the new 700-foot-long, 12-foot-high floodwall will begin in summer of 2003 and should be completed in two months.
- The Carney Products pole yard in St. Maries will close permanently in the first quarter of 2003, putting eight people out of work. Carney's owner hopes to sell the 14-acre site that fronts the St. Joe River. L.D. McFarland, a company that operates pole yards in Sandpoint and Kooskia, has purchased the company's inventory, rolling stock, and peeler. The Carney closure ends an era; for more than 70 years, there has been a pole yard in St. Maries.

Bonner County

- Coldwater Creek eliminated 25 salaried positions at the catalog company's headquarters in Sandpoint in November. A conservative sales environment and duplication caused Coldwater to eliminate the positions. After the reduction-in-force, Coldwater Creek employs approximately 340 people in the Sandpoint area and approximately 400 at its Coeur d'Alene call center.

Boundary County

- The River Valley Health Clinic opened December 1 next to Boundary Community Hospital in Bonners Ferry. The private, non-profit clinic provides medical care to the uninsured and underinsured. Approx-

mately 27 percent of Boundary County residents do not have health insurance. North Idaho's only other community help center is the Coeur d'Alene Tribe's Benewah Medical & Wellness Center in Plummer.

- The temporary shutdowns of both Louisiana-Pacific mills, mentioned earlier in the Panhandle section, potentially could hamper retail spending in Boundary County over the Christmas season. The two mills pay 8 percent of the county's \$78.5 million payroll.
- Other timber job losses may affect the number of people looking for work in Boundary County. Stimson Lumber plans to close the 70-year-old plywood plant in Libby, Montana, in mid-December, putting 300 workers out of work. The Stimson mill is Lincoln County's largest private employer, providing 5.9 percent of the county's jobs. Lincoln County's long-term high unemployment, as evidenced by its 11.3 percent unemployment rate in 2001, already has caused many Lincoln County residents to seek jobs in Boundary County. Currently, 55 Lincoln County job applicants are registered with Bonners Ferry Job Service. After the 300 Stimson employees are added to the 575 people already unemployed in October, even more Lincoln County residents will likely be looking for work in Boundary County.

Kootenai County

- The Panhandle's largest high-tech firm, Advanced Input Devices (AID), recently landed a \$10.9 million contract to make light switches for U.S. military vehicles. AID designed the light switches so they can be seen by the vehicle's occupants in the dark yet can't be detected from the outside even by night-vision equipment. To locate current lights switches in military vehicles, their occupants must use a flashlight, which requires the use of two hands and can lead to detection. The switches control both interior and exterior lights for the vehicles. AID, primarily known as a manufacturer of keyboards and control panels, employs 300 people in Coeur d'Alene.
- Coeur d'Alene recently welcomed these new businesses: a Candy Bouquet franchise at 501 West Appleway Suite E; Bear Paws Quilting, a store selling quilting supplies, at 296 Sunset Avenue, Suite 30; Coeur d'Alene Indoor Soccer Center, a 14,000-square-foot building enclosing a regulation-sized soccer area where leagues of adults and children play, at 3507 West Seltice Way; and Advantage Fitness, selling exercise equipment and offering personal trainer services, at 348 West Bosanko Avenue.
- Other new businesses in Post Falls include Annette's Place, a hair salon at 1003 North Spokane Street, and Nail Care Academy, 1600 East Seltice Way, which is a beauty school that trains up to 15 students at a time to become nail technicians.

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